



NEWS RELEASE

United States Department of Agriculture • Rural Development
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GUARANTEED LOAN FUNDS AVAILABLE FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS

Release of New Guidelines Opens Application Process for Up To An Estimated \$200 Million in Guaranteed Loan Funds

WASHINGTON, July 15, 2005 - USDA Rural Development today announced that up to an estimated \$200 million in guaranteed loan funds are now available for investments in renewable energy systems and energy efficiency improvements by agriculture producers and rural small businesses. The \$200 million (\$11.4 million in actual cost to the government) is part of the \$22.8 million announcement made in March of 2005 by Agriculture Secretary Mike Johanns.

In the March announcement, Johanns indicated that the \$22.8 million would be made available in two stages; In March of 2005, USDA would begin receiving grant applications while the remaining \$11.4 million, which will convert into an estimated \$200 million in guaranteed loan funds, would be delayed pending the publishing of the application guidelines for the guarantee loan program. The period for receiving grant applications closed on June 27, 2005.

Section 9006 of the 2002 Farm Bill established the Renewable Energy Systems and Energy Efficiency Improvements loan and grant program to encourage agricultural producers and small rural businesses to create renewable and energy efficient systems. The funds announced today will be available to support a wide range of technologies encompassing biomass (including anaerobic digesters), geothermal, hydrogen, solar, and wind energy, as well as energy efficiency improvements. To date, the Bush Administration has invested through this program nearly \$45 million in 32 states.

Funds announced today will be set aside through August 31, 2005 for renewable energy and energy efficiency guaranteed loans. Final details on how to apply for these funds will be published in the Federal Register on July 18, 2005. Any funds not obligated under the guarantee loan program by August 31, 2005, will be reallocated to the competitive grant program as of that date.

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development has invested over \$54 billion since the beginning of the Bush Administration to provide equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. As a result, over 1 million jobs have been created or saved through these investments. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov>.

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